

# SESSION WEEKLY



SIT BACK, THE 'OMNIFEST' BEGINS

SOUDAN SNOWBIRDS HEAD TO ST. PAUL

COLLEGE PROPOSAL GETS MIXED GRADES

NEXT GEN ACT COULD BE HISTORY

HF1198 - HF1297

A NONPARTISAN PUBLICATION  
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# Flashback to 1991, 2006



PHOTO BY TOM OLMSCHIED

**Session Weekly March 30, 2006:** Zygi Wilf, Minnesota Vikings owner and Lester Bagley, Vikings vice president of public affairs/stadium development, explain the “Northern Lights” development project in Blaine, which would include a new Vikings stadium, during a March 17 informational hearing by the House Governmental Operations and Veterans Affairs Committee.

## Control over school vending machines

Is the debate over vending machine control in schools one of nutrition, money or both? HF532, sponsored by Rep. Linda Scheid (DFL-Brooklyn Park), would put some control of vending machines in the hands of the school food service. Scheid said that public schools should promote good nutrition by giving the school food-service control, at least during lunch hours. The House Education Committee approved the measure.

— Session Weekly March 29, 1991

## Delaying bonding projects

Gov. Arne Carlson has proposed that state spending for 23 capital improvement projects authorized by the 1990 Legislature — totaling \$46.4 million — be delayed to prevent the state from sliding further into debt. But the governor has also asked the Legislature to approve an additional \$133.5 million in new capital investment projects that he thinks are necessary.

The idea of putting last year’s session laws on hold while forwarding a new agenda drew cries of constitutional foul play from Rep. Bob Anderson (IR-Ottertail). He reminded Finance Commissioner John Gunyou during a House Appropriations Committee hearing that the Legislature provides budget directives that the administration is expected to carry out, adding that 1990 capital improvement plan was passed by overwhelming majorities in both the House and the Senate.

— Session Weekly March 29, 1991

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**On the cover:** Mira Silverman, a first-grader at Expo Elementary School, peeks through the railing of a packed hearing room March 21 when the House Education Finance Committee discussed its omnibus bill. Her mother, Monica Trent, a High 5 teacher at Whittier International Elementary School, came to testify against the proposal.

— Photo by Tom Olmscheid

## SESSION WEEKLY

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# The long and winding road

Omnibus bills morph and change all along the way for a purpose, tax chair says

By LEE ANN SCHUTZ

**F**rom the time a committee chair lays over a bill for possible inclusion in an omnibus bill, it morphs and changes its way to the House floor and beyond. By the time the bill (in the form of a conference committee report) comes back to each body for final passage, it could have substantial changes.

House Taxes Committee Chairman Greg Davids (R-Preston) said the omnibus bill process is long, difficult and drawn out for a reason. “The only thing that is harder than passing laws is repealing laws. So we need to get it right the first time. You don’t want to do these things on a whim; you want to take it very seriously.”

The omnibus tax bill HF42, which he sponsors, was approved by the House Taxes Committee March 19, the House Ways

and Means Committee March 23 and moved to the House floor. The companion, SF27, sponsored by Sen. Julianne Ortman (R-Chanhassen), was scheduled to be voted upon March 25 by the Senate Taxes Committee.

The House bill is made up of roughly 40 separate bills heard in the House Taxes Committee or the House Property and Local Tax Division. At least 10 amendments have been incorporated so

far. And at the General Fund bottom line, the bill adds \$548 million largely through reductions to state aids and credits.

Here’s a look at what is in the bill:

- directs the revenue commissioner to begin talks with Wisconsin with the goal of entering into a new reciprocity agreement that would be effective for tax year 2012;
- creates a Minnesota science and technology fund with \$1.5 million appropriated in fiscal years 2012 and 2013, and \$3.5 million in each fiscal year thereafter for grants to support initiatives;
- lowers the property tax refund from 19 percent to 12 percent of gross rent paid;
- approves imposition of a local sales and use tax by several cities and towns;
- extends eligibility for a market value exclusion benefit for the surviving spouse or approved family caretaker of certain disabled veterans;

First Reading continued on page 4



PHOTO BY ANDREW VONBANK

Members of the House Ways and Means Committee wade through bill copies and amendments on the committee table during the March 23 hearing.



## First Reading continued from page 3

- removes several county maintenance of effort provisions that do not reduce federal funds or automatically increase state spending;
- decreases payment in lieu of taxes payments to counties; and
- eliminates the political contribution refund.

## Amendments as teachable moments

Rep. Ann Lenczewski (DFL-Bloomington) offered many of the 20-some amendments debated by the House Taxes Committee. While most were not successful, she said they all had a point. Some were offered to educate the 16 new members of the 28-member committee on how the tax codes interact: “that cuts and shifts here generally mean higher taxes somewhere else.” Also, through amendments, she said, “It’s a chance for the minority to get their views of tax policy out there for discussion.”

An amendment she offered to do away with fiscal disparities fell into the former category.

The fiscal disparities program is a partial sharing of commercial-industrial property tax base among all jurisdictions within the Twin Cities metropolitan area. Lenczewski’s community shares this tax base heavily, and for years she has tried to repeal the program. She offered the amendment to help members understand how doing away with the program could affect the amount of local government aid rural communities receive. To her surprise, the amendment was approved. The provision was removed in the House Ways and Means Committee.

However, an amendment offered by House Ways and Means Committee Chairwoman Mary Liz Holberg (R-Lakeville) was approved to continue the current levy limits into the 2012-2013 biennium.

## LGA - the great divide

Arguably the tax bill is the most high-profile during a budget-setting session. As Lenczewski points out, it can both raise money through tax



PHOTO BY ANDREW VONBANK

**House Page Michael Mullen passes out amendments to the omnibus tax bill during the March 23 meeting of the House Ways and Means Committee.**

increases, and spend money through the use of credits, aids and tax cuts.

Both the House bill and the governor’s proposal do a mixture of both. But they are far apart on the mechanics.

For instance, the governor proposes to create a new tax tier that would raise taxes on the state’s highest earners. House Republicans would decrease the lower and middle individual income tax rates from their current levels of 5.35 percent, and 7.05 percent to 4.75 percent and 6.75 percent, phased in over three years. This could be paid for through several local government aid reductions, of note a phase-out of aid to Minneapolis, St. Paul and Duluth, while Greater Minnesota and the suburbs would be held at the 2010 levels.

Dayton vetoed an earlier bill that contained LGA cuts, and has said he would like to see LGA remain intact. Discussion over LGA reductions became heated in the House Taxes Committee.

The LGA phase-out provisions came from a bill sponsored by House Property and Local Tax Division Chairwoman Linda Runbeck (R-Circle Pines). She’s made no secret of her mission to reform the aid package that she says was designed to equalize basic services among the state’s municipalities. She and other Republicans questioned the spending patterns of the state’s two largest cities, calling some projects “frivolous.”

“We have to begin the discussion. ... The system is broken,” she said. “Local government spending has been enabled

## New name for new direction

To reflect the changes proposed to the Local Government Aid distribution, Rep. Diane Loeffler (DFL-Mpls) proposed an amendment to change the name in statute of LGA to Rural and Some Suburbs Government Aid or RSSGA.

“Since this bill revamps our major city funding program to one that first looks at what type of city you are, I think a new name is in order,” she said.

To that, Rep. Linda Runbeck (R-Circle Pines) proposed amending the amendment to rename LGA to Basic Aids for Services in Cities, or BASIC, to reflect the goal of having the program pay for basic services, not discretionary projects and programs.

Loeffler withdrew the amendment.

by LGA, and we are seeing increases in discretionary spending.”

But metro area lawmakers say the move is an all-out assault on the state’s first-class cities, and that it is political payback against the traditional DFL strongholds.

“This is blatantly political and mean-spirited,” said Rep. Michael Paymar (DFL-St. Paul). “Why don’t you cut the whole damn program if you don’t like LGA?”

DFLers say that as the bill stands now, it is a waste of time and will be vetoed.

Dauids calls the bill “serious business.” He hints, however, at the possibility of a veto. “I’m working on this bill such that if he (the governor) signs it, it will be a good bill for the people of this great state. If the governor decides to veto it, then we’ll get back to work.” 🇺🇸

## What’s in the bill

The following are selected bills that have been incorporated in part or in whole into the omnibus tax bill.

- HF11 – Bills**
- HF22 – Davids**
- HF102 – Mahoney**
- HF825 – Marquardt**
- HF982 – Davids**
- HF1003 – Stensrud**
- HF1007 – Runbeck**
- HF1045 – Runbeck**

# HIGHLIGHTS

MARCH 17 - 24, 2011

**Editor's note:** The following Highlights are coverage of select information heard in House committees and other House activities held March 17-24. Designations used in Highlight summaries: HF-House File; SF-Senate File; Ch-Chapter; and \*- the bill version considered by the House or the bill language signed by the governor.

## Agriculture

### Omnibus bill includes 'cheeseburger'

In spite of concerns about the legal reach of the "cheeseburger bill," the House Agriculture and Rural Development Policy and Finance Committee voted 12-7 to approve the committee's omnibus finance bill March 23. It now goes to the House Ways and Means Committee.

The proposed policy, which is more formally called the "Personal Responsibility in Food Consumption Act," would make food and beverage establishments immune to being sued if a customer became overweight from consuming too much food or drink. Sponsored by Rep. Dean Urdahl (R-Grove City), the provision is included in HF1039, the omnibus agriculture and rural development finance bill, sponsored by Rep. Rod Hamilton (R-Mountain Lake).

"This bill underscores that people are responsible for their own actions, particularly where food is concerned. Legitimate lawsuits ... are still allowed under this," Urdahl said.

Rep. Andrew Falk (DFL - Murdock) said the provision deals with legal issues and does not belong in the agriculture bill. "It's much more than it appears on its face," Falk said. Rep. Terry Morrow (DFL-St. Peter) agreed, saying it sets a dangerous public policy that could have unintended consequences.

In another area of the bill, the committee approved an oral amendment to delete a proposed \$400 re-inspection fee when those who distribute or store ammonia or

anhydrous ammonia fertilizer have recurring or serious pollution violations. Hamilton said the Agriculture Department already has authority to recover inspection costs and he did not want the specified provision to be misconstrued as a new fee.

Morrow also successfully amended the bill to give a \$100,000 grant in 2013 to the Center for Rural Policy and Development, located in St. Peter.

In total, the bill would appropriate \$76.84 million from the General Fund — a 14 percent reduction from the forecasted base. Including all special funds and statutory appropriations, the bill would spend a total of \$172.88 million.

The department's first priority is the protection of the food supply, so the bill would increase funding to hire additional retail food handler inspectors to deal with a backlog of inspections. A progress report would be due to the Legislature by Feb. 1, 2013.

Section 13 of the bill would give county agricultural societies the ability to exchange

property, in addition to selling or leasing land for fairgrounds. Rep. Carolyn McElfatrick (R-Deer River) said the provision would simplify an exchange to expand a county fair property in her district.

Many of the funding proposals in the bill include the same appropriations recommended by Gov. Mark Dayton, such as completing more than \$15 million in delinquent ethanol payments to qualified producers.

Areas where cuts are recommended include several grant programs, such as the Dairy Development and Profitability Enhancement Program, which uses a regional team approach to helping local farmers improve their profit margin. There are waiting lists for the business planning grants, according to David Weinand, project consultant with the department's Agriculture Marketing and Development Division. He said the dairy profit teams resulted in the addition of 839 new cows in Minnesota and created 16 new jobs in the dairy industry.

Hamilton said he hoped to preserve as much funding for agriculture literacy programs as possible because he deems such education important.

A companion bill, SF839, sponsored by Sen. Doug Magnus (R-Slayton), awaits action by the Senate Agriculture and Rural Economics Committee.

— S. HEGARTY

### What's in the bill

The following are selected bills that have been incorporated in part or in whole into the omnibus agriculture and rural development finance bill.

**HF264 - Urdahl**  
**HF993 - McElfatrick**

### FLOOD MITIGATION



PHOTO BY TOM OLMSCHIED

**John Finney, president of the Red River Watershed Management Board, testifies March 23 before the House Capital Investment Committee for project funding in his area. Ron Harnack, left, the board's project coordinator, also testified before the committee.**

## Bonding

### Central Corridor funding survives

The Central Corridor light rail project had a near miss in the House Capital Investment Committee March 22. However, the impact of a successful amendment from Rep. Steve Drazkowski (R-Mazeppa) still leaves the project in jeopardy.

The bill was passed as amended and sent to the House Ways and Means Committee. It has no Senate companion.

A provision to defund a \$42.8 million appropriation approved in the 2008 capital investment law for the line between downtown Minneapolis and downtown St. Paul was contained in HF1232, sponsored by Committee Chairman Larry Howes (R-Walker). But after several testifiers spoke of the signed contracts and the amount of



money spent on the project so far, it raised the question about the state's liability regarding the contractual agreements.

While Howes' motion to delete the provision to defund the Central Corridor project was approved, Drazkowski's amendment could halt the project anyway.

It calls for a quick answer from the Federal Transit Administration as to whether it will fund the project as planned. If a new April 1 deadline is not met, all construction on the project must be halted. His amendment also calls for a supplemental environmental impact statement to address the loss of business revenues as an adverse impact to the rail line's construction. But it prohibits the Metropolitan Council from funding the study and puts that financial responsibility onto the federal government.

Ramsey County Commissioner Jim McDonough said the new April 1 deadline is too soon. "The comment period doesn't end until April 6. This is a blatant attempt to stop the project," he said. "The reality is this went forward with (former Gov. Tim) Pawlenty's support. It moved forward under the Bush administration, and with business and labor support. The reality is the state's share of the project is 10 percent."

Howes also amended the bill to remove a provision that would have pulled \$11 million from the Como Zoo; \$10.4 million in funds from regional trail development; and \$1 million for the Rock Island bridge park and trail. These projects were funded in the 2010 law.

Rep. Bev Scalze (DFL-Little Canada) called on the chairman to consider the impact of defunding projects that were recently approved.

"We are taking away their trust in state government. ... It is a black mark, and there are a lot of people who will be hurt. This just breaks my heart," she said.

— L. SCHUTZ

## Budget

### Dayton's budget plan revised

In a March 21 letter to legislative leaders, Minnesota Management & Budget Commissioner Jim Schowalter outlined proposed changes to Gov. Mark Dayton's original biennial budget plan. The revisions reflect updated revenue and spending projections from the February Economic

Forecast, released Feb. 28 by MMB, showed the state's biennial budget deficit shrank from \$6.19 billion to \$5.03 billion. Dayton previously stated that he would alter his plan to accommodate the new figure.

Major changes, as outlined in the official MMB documents, include:

- eliminating a proposed 3 percent surtax on incomes over \$500,000;
- reinstating \$170.3 million in proposed health and human services spending; and
- adding a proposal to boost the research and development tax credit by \$21.8 million.

In total, Dayton's revised budget proposal would spend \$37.33 billion from the General Fund — an increase of \$235 million over his original plan. House Republicans are proposing to spend \$34.26 billion.

Under current law, forecasted base spending in fiscal years 2012 and 2013 is set at \$39.02 billion. The state is expected to receive \$33.33 billion in revenue during that time. A balance of \$663 million is projected for the end of the current biennium on June 30.

— N. BUSSE

### House budget resolution amended

The House's budget resolution was changed to move General Fund dollars out of transportation and other budget areas and into state government.

Members of the House Ways and Means Committee voted 17-13 March 23 to amend the House's budget resolution.

The resolution sets targets for the House's omnibus spending bills. It proposes spending a total of \$34.26 billion from the General Fund in fiscal years 2012-2013.

The amendment, successfully offered by Committee Chairwoman Mary Liz Holberg (R-Lakeville) changes a number of the individual targets, including:

- the omnibus transportation finance bill is reduced from \$120.16 million to \$41.76 million;
- the omnibus state government finance bill is raised from \$443.66 million to \$601.96 million;
- the omnibus capital investment finance bill is reduced from \$1.17 billion to \$1.16 billion; and
- funding for claims and other bills is reduced from \$75 million to \$5.1 million.

An updated spreadsheet is available online from the nonpartisan House Fiscal Analysis Department.

— N. BUSSE

## Business & Commerce

### House extends elevator fix timeline

House approval was given to a bill that would give residential and commercial building owners more time to comply with federal elevator upgrades required to be completed by Jan. 29, 2012, or the elevator will be taken out of service.

Owners would have three years to implement changes after submitting their work plan to the Department of Labor and Industry. Passed 128-0 by the House March 21, HF664 now goes to the Senate where Sen. James Metzen (DFL-South St. Paul) is the sponsor.

"If we're delaying this compliance with the code are we in any danger of creating safety issues?" said Rep. Tina Liebling (DFL-Rochester).

"We only have so many inspectors in the state of Minnesota," said Rep. Tom Hackbarth (R-Cedar), the bill sponsor. "We've only inspected a fraction of the elevators so far." He said the cities of Minneapolis and St. Paul employ elevator inspectors as does the Department of Labor and Industry.

— K. BERGGREN

## Civil Law

### Funding shifts to more 'core' services

The House Judiciary Policy and Finance Committee approved HF440 March 24.

Sponsored by Committee Chairman Steve Smith (R-Mound), it targets how \$726 million would be spent on the state's judicial system and support services for the 2012-2013 biennium.

The omnibus judiciary finance bill has no Senate companion. It was referred to the House Ways and Means Committee.

DFL members expressed concern that the budget, reduced from \$735 million in the previous biennium, would put an increased burden on a court system that has reason to see adequate funding.

Smith defended the appropriations, which he said continue to fund core and essential services of government's "third branch."

"With all due respect to some of my colleagues, the projected baseline represents the priorities of the previous Legislature to which we are not compelled to follow," Smith said.

Rep. John Lesch (DFL-St. Paul) said the appropriations, which would reduce funding for public defenders and the state's Guardian Ad Litem program, are based in unprecedented partisanship and represent a case of the "fiscal tail wagging this dog."

"Mr. Chair, I know you feel like you have done your best with what you have been given," Lesch said. "I think you should have been given more. And I think it's up to the members of your caucus to find a way to give you more."

The bill shifts the balance of funding to increase core services, but at a cost to other areas. It increases funds by \$6.7 million for the Supreme Court, Court of Appeals and district courts, while reducing funding for Civil Legal Services by \$4 million over the next two years. It also cuts about \$785,000 from the state Guardian Ad Litem program.

The program's leadership said the cuts will slow the "wheels of justice" for the most vulnerable children caught often caught up in court battles not of their own choosing.

"The Guardian Ad Litem is often the only voice of calm, objectivity and reason and are focused on what is truly in the best interest of the child at that moment in the courtroom," said Leslie Metzen, chair for the Guardian Ad Litem Board.

Committee Vice Chairman Ron Shimanski (R-Silver Lake) said that reductions in some areas in funding were necessary to offset increased funding to the courts system.

"(The Guardian Ad Litem Program) will be given the resources they need to carry out their statutory mission to provide services to victims of abuse and neglect, but the courts will need to be responsible and judicious in their requesting appointments," Shimanski said.

Also included in the bill is new language that protects juveniles involved in sex trafficking and prostitution crimes. Instead of prosecuting the juveniles for prostitution, minors would be protected under the definition of "sexually exploited youth."

#### What's in the bill

The following are selected bills that have been incorporated in part or in whole into the omnibus judiciary finance bill.

**HF 440 - Smith**

**HF 556 - Smith**

**HF 987 - Smith**

**HF 988 - Smith**

**HF 1023 - Smith**

## Health & Human Services

### Omnibus bill a 'work in progress'

When he first introduced HF927, Rep. Jim Abeler (R-Anoka) called the omnibus health and human services finance bill "a work in progress," and said there would still be time for input as it moved toward a House floor vote.

The bill may not be ready yet, but plenty of voices have chimed in with feedback.

More than 90 witnesses provided testimony during a March 23 House Health and Human Services Finance Committee hearing. Members listened and asked

questions for more than six hours, but intended to save much of their discussion on the bill and its targeted \$10.7 billion budget for March 24 when Abeler, chairman of the committee, said he expected a vote to take place.

As presented, the bill would cut \$1.6 billion in spending over the next two fiscal years. Much of the cost savings are expected to come from nursing home care reforms for the elderly and disabled and lower payments to HMOs that serve poor and disabled residents.

The bill also proposes a global Medicaid waiver that Abeler said would generate \$300 million in cost savings — an idea



PHOTO BY ANDREW VONBANK

Rep. Joe McDonald, *foreground*, listens to Finance Committee Chairman Jim Abeler go through the omnibus health and human services finance bill March 22 during a joint meeting of the House Health and Human Services Finance and Reform committees.



some testifiers and DFL members scoffed at. They pointed out that should the federal government reject the waiver request, the bill's alternative suggests cutting reimbursement rates to service providers.

If the implementation of the global waivers fails to generate the specified additional \$300 million, those savings will come out of provider rates, said Toby Pearson, vice president of advocacy for Care Providers of Minnesota, a trade organization representing more than 500 long-term care facilities.

Kurt Rutzen opposed what he said might seem like a small increase to co-pays for residents on Medical Assistance.

"When you are on a limited income like myself, it adds up quickly," said Rutzen, a Minneapolis resident and national board member for ARC, an advocacy group for people with intellectual and developmental disabilities.

Several witnesses, including those from organizations such as the Welfare Rights Committee and the Minnesota Catholic Conference, testified in opposition to a section of the bill that includes new restrictions on electronic benefit transfer card usage aimed at curbing wasteful spending.

Abeler told one witness he agreed with his sentiments that the EBT "proposal needs some work" for it to remain in the legislation.

Several testifiers praised aspects of the bill's contents.

"You really listened to the rehab community with regards to services that actually save money by keeping clients out of the hospital and as healthy and functioning as possible," said Maree Cook, administrator at Professional Rehabilitation Consultants, a St. Paul-based provider in specialized maintenance therapy.

Throughout the hearings, DFL members expressed concern about the process Republican committee leaders used in putting the bill together. They pointed to a lack of fiscal detail in the bill along with an aggressive timeline for approval before it is sent to the House Ways and Means Committee, where it is expected to be heard next week.

"The trajectory we are on here I think is very problematic," said Rep. Tina Liebling (DFL-Rochester), adding that the bill was "half-baked" as it was presented.

"I respect your desire to think of new creative ways to do things," she said, "But we have to do that in a process that allows people to weigh in so that we actually know what we've got when we vote on it."

Abeler reminded members that more

fiscal details on the bill would be released as discussion continued and as the proposed legislation moved to its next stages.

The bill's companion, sponsored by Sen. David Hann (R-Eden Prairie), awaits action in the Senate Health and Human Services Committee.

— H. LONG

## Public Safety

### Tough penalty for harming police dog

Signed  
by  
the  
governor

A new law will increase the penalty for injuring public safety dogs and impose mandatory restitution on offenders who harm these animals.

Signed March 22 by Gov. Mark Dayton, the law will extend the current two-year felony for killing a public safety dog to offenses of causing "great or substantial bodily harm" to such animals, including those that cause permanent disfigurement of the animal or loss or impairment of a body organ. It also extends the gross misdemeanor offense of harming a public safety dog to cases where the dog suffers demonstrable bodily harm.

An offender shall pay restitution "for the costs and expenses resulting from the

crime. Costs and expenses include, but are not limited to, the purchase and training of a replacement dog and veterinary services for the injured dog."

Further, the law, which takes effect Aug. 1, 2011, creates a new offense whereby it is a misdemeanor to assault a public safety dog where the animal does not suffer "demonstrable bodily harm."

Rep. Tony Cornish (R-Good Thunder), who sponsors the law with Sen. Dan Hall (R-Burnsville), said the impetus for the law was Major, a German Shepherd stabbed Nov. 12 as Roseville police assisted Maplewood officers responding to a break-in.

After finding a suspect, officers heard Major crying in pain. He had been stabbed four times. He was rushed to the University of Minnesota Veterinary Medical Center for emergency surgery. While Major survived, he did not regain use of his back legs.

HF141\*/SF121/CH9

— M. COOK

### Omnibus bill gets committee OK

A funding reduction to the Department of Human Rights, changes to a retirement plan and where offenders serve the end of their sentence are all part of a \$1.2 billion omnibus public safety finance bill. It is about \$55 million below the



PHOTO BY TOM OLMSCHIED

Roseville Police Officer John Jorgensen and his K-9 partner, Major, watch as Gov. Mark Dayton signs into law March 22 a bill that will increase the penalty for injuring public safety dogs and impose mandatory restitution on offenders who harm these animals. Major, who was stabbed four times in the back and was paralyzed while on police duty, now uses a special wheeled harness to support his rear legs to get around. Sponsors and supporters of the new law standing behind Dayton are, from left, Sen. John Harrington, Sen. Dan Hall, Public Safety Commissioner Ramona Dohman, Rep. Tony Cornish and Sen. John Marty.





PHOTO BY ANDREW VONBANK

**Human Rights Commissioner Kevin Lindsey testifies before the House Public Safety and Crime Prevention Policy and Finance Committee March 22 during discussion of the omnibus public safety finance bill.**

governor's recommendation.

Sponsored by Rep. Tony Cornish (R-Good Thunder), HF853 was approved March 23 by the House Public Safety and Crime Prevention Policy and Finance Committee and sent to the House Ways and Means Committee. A companion, SF958, sponsored by Sen. Warren Limmer (R-Maple Grove), awaits action by the Senate Finance Committee.

"We did the best we could with what we had to work with," Cornish said. "It'll be argued from here to the Ways and Means to the floor to the conference committee to the governor, and I have no doubt these numbers and language will change this way, that way and every way. The target will probably change."

The committee needed to trim \$58 million in General Fund spending. Among the largest cuts are \$15.9 million from the Department of Corrections and \$12 million to the Office of Justice Programs.

Within the latter cuts, funding to battered women's programs can be reduced by no more than 11 percent of base funding.

However, the biggest controversy may be the \$4.34 million cut (65 percent) to the

Department of Human Rights. Further, it states that state dollars must be dedicated for enforcement of violations and nonstate funds may be used for education and outreach.

Even the number of enforcements could decrease. It would limit the number of businesses that need to be annually certified as compliant by increasing the threshold that requires a certificate from 40 to 50 employees, increasing the contract amount from \$100,000 to \$250,000, and extending the renewal period from two to five years.

"To sit and accept testimony from the acting commissioner of human rights, saying we're at a tipping point of being effective in dealing with discrimination, and then to gut the department by 65 percent clearly sends the signal to people in Minnesota that human rights and discrimination cases aren't important to the state," said Rep. Kerry Gauthier (DFL-Duluth).

The bill also transfers \$8.5 million from the Fire Safety Account to the General Fund.

The money, collected through a surcharge on homeowner and commercial fire insurance policies, is used for the Minnesota Board of Firefighter Training and Education, staffing and operations of the State Fire Marshal Division and fire-related regional response teams and other fire service programs that have the potential for statewide impact.

In recent years, some of the account balance has been used by legislators to help fund the state's deficit. In fiscal year 2010, \$6.9 million was transferred to the General Fund and \$3.6 million in fiscal year 2011.

Also sparking controversy is a provision that would remove various non-security positions from the correctional employees retirement plan. Opponents said that many of these people who would be affected work closely with inmates on a regular basis, such as mental health professionals and nursing staff.

Among the policy initiatives that relate to appropriations in the bill are:

- the prison inmate co-pay for a visit to a health care provider would increase to at least \$5;
- offenders with 60 days or less remaining on their sentence would serve that time

in a county jail or workhouse, rather than state prison;

- provides minimum and maximum sentences for persons proven to be predatory sex offenders;
- a task force would be established to look at issues related to juvenile justice reform; and
- establishes a sex offender policy task force to evaluate the state's sex offender policies and programs.

— M. Cook

### **Penalty for assaulting utility workers**

A person who assaults a city water meter reader can be charged with a gross misdemeanor, but if a gas company technician or a postal carrier is assaulted in the course of their duties it is only a misdemeanor.

Sponsored by Rep. Joe Mullery (DFL-Mpls), HF1103 would expand the gross misdemeanor crime to include attacks against utility employees and contractors, as well as postal carriers while involved in carrying out their professional duties.

Approved March 17 by the House Public Safety and Crime Prevention Policy and Finance Committee, the bill was sent to



PHOTO BY ANDREW VONBANK

**Mail Carrier Pam Donato testifies before the House Public Safety and Crime Prevention Policy and Finance Committee March 17 in support of a bill that would create a penalty of gross misdemeanor for the assault of utility or postal service employee.**

the House Judiciary Policy and Finance Committee. It has no Senate companion.

“(Current law) doesn’t make sense because utility workers are even more required to get out to the property than some city workers,” Mullery said. “It’s only fair they be protected.”

Carl Crimmins, president of the Minnesota Pipe Trades Association, said the bill is a “backup” for workers who are out by themselves doing their job at all hours of the day. “They should have a little more comfort when they’re performing their duties.”

“Right now, we don’t have enough consequence for the carriers that are assaulted,” said Pam Donato, president of the National Association of Letter Carriers Branch 9 in Minneapolis. “While it is a federal crime to assault a postal employee in the performance of their duty, very rarely will the U.S. Attorney’s Office prosecute such a crime unless it involves a very horrific injury.”

— M. COOK

## Recreation & Tourism

### Charitable gambling change passes

House members voted overwhelmingly to approve a change that would make it easier for charitable gambling organizations to file financial reports.

Sponsored by Rep. Greg Davids (R-Preston), HF786 would simplify accounting regulations for charitable gambling. Under the proposed change, the state’s annual financial reporting requirements would match up more closely with federal requirements, eliminating the need for charitable organizations to report two different sets of numbers.

Davids said he is not aware of any opposition to the bill.

Passed 129-0 by the House March 21, it now awaits action by the Senate State Government Innovation and Veterans Committee. Sen. Ted Daley (R-Eagan) is the Senate sponsor.

— N. BUSSE

## State Government

### Short 2012 session possible

It’s possible that the 2012 legislative session could begin the first part of March, making it the latest start date since 2006. The proposal is contained in the House budget, approved by the House Rules and Legislative

Administration Committee March 21 and incorporated into the omnibus state government finance bill.

The second year of the biennium is traditionally shorter than the first year, and is usually focused on bonding of capital projects. Because of the proposed shorter session, the budget would reduce the cost of hiring “session-only”, or temporary, staff by 50 percent.

According to House Controller Jim Reinholdz, the \$56.26 million budget funds the administrative workings of the House of Representatives for the 2012-2013 biennium. This represents a \$2.9 million reduction to the General Fund base, and is \$6.6 million below the original 2010-2011 biennial budget.

Other budget components include:

- a reduction to member per diem from the current \$77 per day to \$66;
- a freeze (in place since 2008) on permanent employee salaries to current levels;
- an increase for member and employee health insurance of 7.7 percent in each year of the biennium;
- elimination of funding for tuition reimbursement;
- minimal funding for out-of-state travel, with speaker approval only; and
- funding committee budgets at a reduced level.

In a memo to the committee, Reinholdz wrote: “While the House of Representatives is making continuing reductions to the operations budget, it has a constitutional duty to perform its functions. This budget will fulfill those duties, but with noticeable reductions and change to current operations. The House needs to be wary of reductions that will diminish the capacity to perform its constitutional functions.”

— L. SCHUTZ

### State arts agency could close

The Perpich Center for Arts Education was established in 1987 by the Legislature not only as a statewide residential arts high school but a state agency. It also is a hub of professional development and research in the arts and arts education – and it could be dissolved or reformed as a charter school if HF1078 becomes law.

House Education Finance Committee Chairman Pat Garofalo (R-Farmington) sponsors the bill, which was laid over March 17 and included in the omnibus education finance bill. There is no Senate companion.

Those who have benefitted directly from Perpich programs and a parent testified about

the importance of the agency as a significant resource for schools, teachers and students.

RoAnne Elliott, director of curriculum and instruction with Mounds View Public Schools, told the committee the agency has been a key resource to help the district develop a middle school program called “STEAM,” a play on STEM (Science, Technology, Engineering and Math) which many districts are promoting.

“We’re adding the ‘A’ because of that infusion of the arts. We’re doing that based on lots of research,” she said. STEAM will incorporate creativity and creative problem solving, bringing science and math in new ways to more students.

Rep. Kathy Brynaert (DFL-Mankato), the mother of a Perpich graduate, called the agency and school “a Minnesota gem.”

Rep. Branden Petersen (R-Andover) wanted to know the rationale for the bill.

“Obviously the state is under financial pressure right now, and one of the things that we’re doing is defending a target that is unusual compared to other committees and we have to look at those priorities out there and what’s being funded,” Garofalo said.

The first-year cost saving to the state would be about \$4.7 million in severance costs for agency employees. If it became a charter school, the annual cost in the second and subsequent years would be about \$2.5 million in lease aid and start-up aid.

— K. BERGGREN

## Taxes

### Tax conformity changes now law

Signed  
by  
the  
governor

Minnesota taxpayers may now benefit on their 2010 state return from action taken by the governor to conform the state to recent federal tax code changes.

Sponsored by Rep. Greg Davids (R-Preston) and Sen. Julianne Ortman (R-Chanhassen), the new law, signed March 21, adopts most federal tax changes made for the 2010 tax year. Most notably, it conforms the state to the recently enacted federal Patient Protection and Affordable Care Act that allows the cost of health insurance coverage of dependents and adult children to age 26 to be excluded from federal taxable income. This provision is effective March 22, 2010.

Employers who have distributed 2010 W-2 statements that reported the amount of health coverage provided to adult



children under age 27 are not required to distribute a corrected tax year form.

The law also repeals a provision enacted in the 2010 special session that directed the commissioner of revenue to delay paying corporate franchise tax and sales tax refunds until fiscal year 2012. The positive General Fund balance now projected for fiscal year 2011 makes the delay of refunds unnecessary. This provision is also effective March 22, 2010.

In a release announcing the new law, Gov. Mark Dayton wrote: "This bill gives \$13 million in tax cuts to Minnesota college students and their parents, teachers, businesses and other taxpayers. I am also pleased the Legislature included my recommendation to resume our refunds to businesses for the sales tax exemption on their capital purchases. Those refunds will give Minnesota businesses money they can use to put more Minnesotans to work."

HF79\*/SF47/CH8

— L. SCHUTZ

### House passes Green Acres updates

With a May 1 deadline looming for agricultural landowners to enroll in the Green Acres program for 2012 taxable year, the House declared HF12 an urgent matter March 24 and voted 98-24 to amend the Green Acres law. It now moves to the Senate where Sen. Paul Gazelka (R-Brainerd) is the sponsor.

Sponsored by Rep. Mike LeMieur (R-Little Falls), HF12 would no longer require landowners to sign a covenant agreement with assessors and would terminate existing covenants.

Farmers voluntarily enroll in Green Acres to avoid paying higher property tax rates when untilled farmland is assessed at a higher rate due to rising land values.

A minimum of 10 acres must be enrolled, but the bill would also allow smaller contiguous properties beside tillable land to be enrolled.

Currently, when the land is transferred or sold, three years of the tax savings must be paid back.

Under the proposed changes, past enrollees or new applicants would be grandfathered in or have until May 1, 2012, to enroll under the condition that three years of tax savings must be paid back if they sell the land. Anyone who enrolls after that date would be required to pay back five years of tax savings when they sell or transfer the land.

Anyone enrolled from May 21, 2008, until

now who was removed from the program must be reinstated at the landowner's request, provided the request is made by Sept. 1, 2011.

The bill would also require stakeholders and taxing authorities to explore alternative taxing means for determining tillable and non-tillable land. A report would be due to the legislature by Feb. 15, 2012.

— S. HEGARTY

## Transportation

### Metro transit taking potential hit

The Metropolitan Council is taking a hard hit in the omnibus transportation finance bill.

Sponsored by Rep. Michael Beard (R-Shakopee), HF1140 was amended and approved March 23 by the House Ways and Means Committee, two days after it was approved by the House Transportation Policy and Finance Committee. It is expected to be on the House floor March 28. A companion, SF898, sponsored by Sen. Joe Gimse (R-Willmar), was scheduled to be acted upon March 24 by the Senate Transportation Committee.

Sparking the most controversy was a plan to transfer \$69.2 million from a fund designed for rail and bus rapid transit purposes and to use it to help fill a \$129.9 million General Fund reduction for the Metropolitan Council. That assistance was removed by the House Taxes Committee.

"CTIB sends operating subsidy money to Met Council now. This is nothing new. We're just telling them to send more and stop obligating us to railroad lines until we get through this economic urgency and support the bus system and rail system we have," Beard said. "I hope they'll come around to doing that on their own. That's where the issue will lie."

The \$69.2 million would have come from the Counties Transit Improvement Board, whose activities are funded with a quarter-cent sales tax in Anoka, Dakota, Hennepin, Ramsey and Washington counties.

Commissioners from Dakota, Hennepin and Ramsey counties told the House

Transportation Policy and Finance Committee that the fund-taking amounted to stealing by the state.

Beard countered that in dire economic times, all avenues need to be explored.

"I think it is a huge mistake, and I think it sends a terrible message to local government in terms of the precedent that the state is going to take it," said Rep. Frank Hornstein (DFL-Mpls).

However, Rep. Mary Liz Holberg (R-Lakeville), chairwoman of the House Ways and Means Committee, noted the transfer would not be unprecedented because the first \$30 million in the fund was provided to the Met Council for operating costs.

Saying she couldn't recall a bill affecting local option sales taxes bypassing the House Taxes Committee, Rep. Ann Lenczewski (DFL-Bloomington) unsuccessfully offered an amendment to send the bill there.

Holberg later successfully amended the bill by removing the CTIB fund transfer. However, she urged board and Met Council representatives to see if they can work together on a potential solution.

Other provisions in the bill include: driver's education would include instruction on carbon monoxide poisoning and a \$2 check-off would be placed on driver's license and state identification cards applications to go towards organ donation educational programs.

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### What's in the bill

The following are selected bills that have been incorporated in part or in whole into the omnibus transportation finance bill.  
**HF650 – Kieffer**  
**HF808 – S. Anderson**  
**HF1140 – Beard**  
**HF1197 – Holberg**

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# Mixed grades given to college proposal

### Omnibus higher education bill gets mixed reception from members

By **MIKE COOK**

**T**he omnibus higher education finance bill puts protections in place for students, but leaves officials from the University of Minnesota and Minnesota State Colleges and Universities system very concerned.

Sponsored by Rep. Bud Nornes (R-Fergus Falls), HF1101 would decrease higher education funding by \$411 million, or a 14.1 percent base reduction. The total is 10.9 percent lower than the 2010-2011 total forecast. Gov. Mark Dayton's budget calls for a \$170.9 million cut to higher education.

Approved March 22 by the House Higher Education Policy and Finance Committee on an 8-6 vote, and March 24 by the House Ways and Means Committee, it is expected to be on the House floor sometime next week. A Senate omnibus bill, sponsored by Senate President Michelle Fishbach (R-Paynesville) awaits a hearing in the Senate Finance Committee.

"This bill probably does more damage to higher education than all of the time I've spent here," said Rep. Gene Pelowski Jr. (DFL-Winona), now in his 13th term. "If this gets to the governor's desk and he does sign it, it will mean an unfortunate transformation done with a bludgeon."

"I hear a lot of doom and doom here," said Rep. David Hancock (R-Bemidji). "I think you will find adversity will oftentimes produce a product that is far better in the long run. ... Let's keep our eye on what we want to do, not on how this is devastating us."

Nornes said the bill puts protections in place so that students do not bear the brunt of the institution's money woes.

"This bill fully funds the state grant program, and it also kind of backfills a couple of areas where we looked at cuts," Nornes said. "There will be no reduction to the work-study program as we previously thought or to the post-secondary child-care grants."

Further, the bill sets a maximum annual tuition cap of 4 percent for state university students and 2 percent for state college students.

Because of the university's autonomy, a cap cannot be placed on its tuition increases. However, the legislative expectation is that it will not exceed 5 percent either year.

"Systems are expected to make up about a third of the reduction in state appropriation by increasing tuition. They will also need to reduce spending and reform to live within their means," Nornes said.

Still, MnSCU Chancellor James McCormick said there is no way to put together a budget with the bill's funding levels "without

inflicting severe pain" on students.

He urged the committee to let the MnSCU Board of Trustees set the tuition rate, but added he'd recommend no more than a 5 percent increase.

Edna Mora Szymanski,

president of

Minnesota State

University Moorhead, said system leaders

have been planning for a 5 percent tuition increase for next year. She said faculty positions have already been cut assuming that funding level, and that this bill puts another 5-7 faculty positions in jeopardy.

"The cap means an extra \$400,000 a year that we don't have," she said.

Lake Superior College President Pat Johns said changes have already been put into motion to reduce operational costs, but he fears that capping tuition would limit what institutions can do to help students be successful. He noted things like reductions in class offerings and potential elimination of some academic programs.


"We've completely reorganized our administrative structure," he said. "We put into a motion an 11 percent non-personnel reduction which particularly cuts into our technical and trades programs."

University of Minnesota CFO Richard Pfitzenreuter said nobody is happy with the bill, and said it's a result of the target the committee was given. He said it rolls state funding for the university to 1998 levels.

"I see some very, very nasty decisions that are gonna have to be made, particularly by the MnSCU system, in order to balance their budget," said Rep. Tom Rukavina (DFL-Virginia).

A number of policy-related provisions are also in the bill, including:

- reversing a 2010 law by reducing the age to participate in the senior citizen higher education program — which, in part, provides free tuition if space is available — from 66 to 62;
- encouraging higher education systems to offer students a guaranteed tuition option that would eliminate any rate fluctuations when the student is in school;
- requiring MnSCU institutions to accept credits from other schools within the system, at the same number of credits, although they can be transferred as elective credits if the curriculum doesn't match up; and
- removing a mandate requiring campus bookstores, to the greatest extent possible, sell only American made clothing and apparel.

Rep. King Banaian (R-St. Cloud), the lone Republican to vote against the bill, said he couldn't stand in front of his college economics class and tell those students he made the best possible legislation. "I really think you did the best you could with a bad hand," he said looking at Nornes. "I wish I could help you." 

#### What's in the bill

The following are selected bills that have been incorporated in part or in whole into the omnibus higher education finance bill.

**HF378 - Scott**  
**HF717 - Abeler**  
**HF821 - Nornes**  
**HF849 - Nornes**  
**HF1133 - Vogel**



# Wild rice study proposed

Committee approves policies for wild rice, state parks

By SUE HEGARTY

**R**ecent enforcement of a Pollution Control Agency rule that limits sulfate levels where wild rice grows commanded the attention of the House Environment, Energy and Natural Resources Policy and Finance Committee.

The conundrum involves balancing the long-term viability of the state grain against the pressures of one of the state's largest economic engines, mining.

Nearly four decades ago, the PCA ruled that sulfate levels where wild rice grows should not exceed 10 milligrams per liter, based on research conducted in the 1940s. By comparison, the drinking water standard is 250 milligrams per liter. The rule was rarely enforced until recently when a mining company came to the agency for a permit. High sulfate levels in the area proposed for mining alarmed environmentalists and others who fear the mining operation will endanger wild rice stands in nearby rivers and streams.

There's agreement that a new scientific study of sulfate's effect on wild rice is long overdue, but a proposal in a bill to raise the interim sulfate limit to drinking water standards was met with protests until Rep. David Dill (DFL-Crane Lake) offered a successful amendment to set the limit at 50 milligrams per liter. The study is expected to take up to two years to complete.

Mike Robertson, environmental policy consultant for the Minnesota Chamber of Commerce, said the chamber supports water quality standards for wild rice based on science. But until a new standard is set in rule, cities and industries will not want to spend \$4 million on new wastewater treatment facilities, unless they know what standard they will need to meet.

The issue is just one of many debated by committee members while drafting the

omnibus environment, energy and natural resources finance bill, HF1010, which was approved 10-7 along party lines March 23. The bill was approved in the House Ways and Means Committee March 24. It now awaits action on the House floor. Its sponsor, Committee Chairman Denny McNamara (R-Hastings), said the Senate bill, SF1003, sponsored by Sen. Bill Ingebrigtsen



PHOTO BY ANDREW VONBANK

**Matt Tyler, left, and Melinda Suelflow, ricing partners from Finland, testify before the House Environment, Energy and Natural Resources Policy and Finance Committee March 22 on wild rice standards.**

(R-Alexandria), differs, and details will likely be negotiated in a conference committee.

Article 4 of the bill allocates money from state lottery proceeds for Environment and Natural Resources Trust Fund projects, including the wild rice/sulfate study. There is \$3 million from the trust fund to prepare a master plan for the new Lake Vermilion State Park that was acquired last year and to begin to develop the park according to an approved plan.

The bill also contains a portion of the proposed \$8 million cost of acquiring 1,000 acres near Itasca State Park for the LaSalle Lake State Recreation Area. The sale of the LaSalle Lake property would be conducted by The Trust for Public Land with the intention of turning it over to the Department of Natural Resources.

Department officials warned legislators that budget cuts could result in limited hours of operation or the closing of several state parks.

Rep. Steve Drazkowski (R-Mazeppa) successfully amended the bill to raise money by harvesting and selling a portion of the valuable black walnut trees in Frontenac and Whitewater state parks.

Drazkowski also amended the bill to establish a new dedicated account that would be used to manage land owned by the DNR, called the Environment and Natural Resources Trust Fund Land Management Account. A recent audit of publicly owned lands revealed that the state is unable to properly manage all of the land it owns. Initial funding for the new management account would be derived by cutting \$1.6 million from acquisition funds for a Scientific and Natural Area and using it as startup funds.

Rep. Jean Wagenius (DFL-Mpls) said the bill was so "harsh" that the minority party was unable to "fix it" with amendments. The bill proposes huge rollbacks to the protection of air, land and water, she said. 🗽

# Education finance bill offers bold reforms

Quantity not as key as quality, says DFL

By KRIS BERGGREN

**A** new majority caucus is approaching education reform boldly. The omnibus education finance bill proposes sweeping changes to longstanding funding categories that favor the urban districts, to provide new revenue for small districts and charter schools, and set up strict policies on teacher evaluation and limits to their tenure and bargaining rights.

HF934, sponsored by Committee Chairman Pat Garofalo (R-Farmington), was approved March 22 by the House Education Finance Committee, March 23 by the House Taxes Committee and 15-11 March 24 by the House Ways and Means Committee. Sen. Gen Olson (R-Minnetrista) sponsors the companion, SF1030, scheduled to be heard the Senate Taxes Committee March 25.

Republican House members are eager to move ahead with reforms they say are overdue and that will make education spending more effective, especially to close the troubling differences in academic performance between white students, students of color and those in poverty.

“It addresses the reality that we’ve been spending a great deal of money in programs that have not shown any improvement of the achievement gap,” said Rep. Duane Quam (R-Byron).

His DFL counterparts agree with those broad goals but believe the bill ignores research-based policies, especially around teacher evaluation and student testing, and would dismantle painstaking work in those areas by policymakers in recent years.

“The bill confuses the volume of reform proposals with the quality of reform proposals,” said Rep. Jim Davnie (DFL-Mpls).

Integration revenue, which has been around in some form since 1987, is intended

to promote school desegregation. Its purpose and funding uses have been unclear with little oversight, according to a 2005 report by the Office of the Legislative Auditor.

Rep. Sondra Erickson (R-Princeton) said that until recently, the program has been abused to an “unconscionable” level without achieving its original intent.

Under the bill, the program would be eliminated and its \$95 million repurposed as innovation revenue targeted to research-based methods to improve student achievement.

DFL members say the proposed changes are stacked against the high-need Minneapolis and St. Paul districts. There, the new innovation revenue would be funded through local levy only. Other districts would receive 70 percent aid and 30 percent levy equal to their 2011 integration revenue, except Duluth, which would be lowered to \$129 per pupil.

Rep. Mindy Greiling (DFL-Roseville)

said that cut, combined with a proposed freeze on special education funding and a proposed voucher program that would only apply to first-class city districts, would have a domino effect on the cities’ schools and place an undue burden on their property taxpayers.

“I think that’s a very ugly dynamic in this bill. I hope we can improve it a lot before the end of session,” she said.

In a press release, the three black House members opposed the bill, saying the “unfair cuts would likely worsen the state’s achievement gap.”

“Instead of taking this opportunity to address the critical challenges facing many schools, this bill furthers inequities at the cost of our children,” said Rep. Rena Moran (DFL-St. Paul).

## Teacher evaluation assessed

Other black education advocates support the bill’s proposal to create a three-part teacher evaluation structure intended to establish teacher effectiveness on a scale and link outcomes, including student test scores, to pay and employment decisions.

“What we are asking is that we evaluate teachers — I don’t know any other industry where employees are not evaluated — and that that evaluation informs both the improvement within the class and staffing decisions,” said Sondra Samuels, chief executive officer of the Northside Achievement Zone, a North Minneapolis coalition of 60 organizations promoting education and family well-being.

Rep. Kathy Brynaert (DFL-Mankato) also supports comprehensive teacher evaluation, but said this proposal is a “sandcastle” built on a faulty foundation that would be difficult for school districts to actually use and for the Education Department to manage. “My greatest disappointment with this bill is that, particularly in education, what purports to be reform is not grounded in sound, broad-based and objective research.”

Garofalo remains optimistic the bill will result in bipartisan measures the governor

### What’s in the bill

The following are selected bills that have been incorporated in part or in whole into the omnibus education finance bill.

- HF88 – Doepke
- HF269 – Downey
- HF273 – Woodard
- HF339 – Kelly
- HF511 – Erickson
- HF535 – McFarlane
- HF558 – Downey
- HF669 – Loon
- HF945 – Petersen
- HF1078 – Garofalo





PHOTO BY TOM OLMSCHIED

**Education Commissioner Brenda Cassellius testifies before the House Education Finance Committee March 21 on the possible effects of the committee’s omnibus bill saying, “This bill creates winners and losers by capping special education revenue; eliminating integration aid; and increasing property taxes in cities of the first class.”**

will support by session’s end, and noted the House \$14.16 billion target and the governor’s aren’t too far apart.

“Conversation and dialogue on education has been occurring and continues to take place with the governor’s office,” Garofalo said.

Discussions could include the bill’s other provisions, such as:

- prohibiting teachers’ right to strike and requirement they accept a qualified economic offer from a school district;
- creating a new small schools revenue component at a cost of \$15.17 million for 2012-2013, and \$47.68 million for 2014-2015, applied to charter schools or districts with fewer than 1,000 pupil units;
- funding extended-time revenue at \$6 million;
- increasing basic per-pupil general education revenue annually from \$5,124 this year to \$5,255 in 2014;
- funding a child care quality rating system and early education scholarship program for low-income families. 🧒

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## No easy job

### Jobs and economic development bill sparks controversy

By Nick Busse

**C**utting budgets is never easy, but Rep. Bob Gunther (R-Fairmont) was given a particularly challenging task this year. As a committee chairman, he was instructed to cut state spending by 58.3 percent in an area of the budget that both parties agree is critical: jobs.

He fulfilled his mission, but not without a few bumps along the way.

HF1049, the omnibus jobs and economic development finance bill, would fund workforce, business development and housing-related programs in the state. It includes plans to cut General Fund spending for a number of agencies, including:

- 10.8 percent from the Housing Finance Agency;
- 7 percent from the Department of Labor and Industry, and
- 5.8 percent from the Department of Employment and Economic Development.

The bill also funds a number of smaller boards and agencies that receive minimal funding changes.

To meet the goal of a 58.3 percent reduction without making deeper cuts, the bill would use \$76.3 million in one-time revenues.

By doing so, it would whittle the 58.3 percent cut down to just 6.2 percent of actual reduced General Fund spending.

The bill would reprioritize funding to focus on programs that spur job growth

and those that serve mentally and physically disabled Minnesotans. Gunther said the bill makes the best of a difficult situation.

“This has not always necessarily been a labor of love, but we did this to attain our target, which we did,” Gunther said.

***“I still am looking for ways that we can balance the budget of this committee without touching any funds from the range.”***

— Rep. Bob Gunther  
R-Fairmont

Kevin McHenry, a government relations specialist for Metro Cities, thanked Gunther for including a \$1 million boost to the fund.

“I realize it’s a difficult job putting a budget like this together,” he said.

***“I think that you’re stealing \$60 million of our local money.”***

— Rep. Carly Melin  
DFL-Hibbing

Those whose programs were cut were less thankful. Deborah Helgen, director of the Minneapolis Employment and Training Program, said a proposed \$1.17 million cut to the program will mean 150 fewer jobs for disadvantaged youth.

“The summer jobs programs provide meaningful work experience, and the chance

for a young person to learn the value of earning a paycheck,” she said.

Not everyone is happy with the cuts, but at a March 22 meeting of the House Jobs and Economic Development Finance Committee, it was the \$76.3 million in one-time money that drew the ire of many DFL members.

The largest of the transfers — \$60 million — would come out of a special account called the Douglas J. Johnson Economic Protection Trust Fund. Money for the fund comes from Iron Range mining companies that pay a production tax in lieu of property taxes.

Between the \$60 million transfer and an \$892,000 cut to the Iron Range Resources and Rehabilitation Board, Commissioner Tony Sertich said the Iron Range is being asked to plug 70 percent of the bill’s apparent budget gap.

“What you’re asking is for 70 percent of the cut in the jobs area to come from about 3 percent of the state’s population ... I think that is quite disproportionate,” Sertich said.

DFLers argued it would be unfair to take money meant for one specific region of the state and use it to fix a statewide problem. During a sometimes heated exchange, they grilled Gunther on the provision.

“I think that you’re stealing \$60 million of our local money,” said Rep. Carly Melin (DFL-Hibbing).

Gunther said he regretted the inclusion of the provision, but that he had few other options given the size of the deficit.

“I didn’t relish to see that that was on my plate in order to balance this committee’s budget. I still am looking for ways that we can balance the budget of this committee without touching any funds from the range,” Gunther said.

Other members supported the provision as a necessary measure.

“You say, ‘Hey, this is our money. You’re taking our money.’ I’m saying we’ve got to balance this budget,” said Rep. Ernie Leidiger (R-Mayer).

The committee approved the bill 12-9 and sent it to the House Ways and Means Committee. Sen. Geoff Michel (R-Edina) sponsors the companion, SF887, which awaits action by the full Senate.





## Betting on change

### Budget bill would restructure state government

By Nick Busse

**O**ne of this year's smallest budget bills could bring about some of the biggest and most transformative changes for state government.

HF577, the omnibus state government finance bill, would fund core state government operations for the next two fiscal years. It includes agencies like the Revenue Department, Minnesota Management & Budget and the Administration Department, as well as the Legislature, constitutional offices and nearly two dozen other state entities.

The bill would cut General Fund spending in these areas by 34.1 percent in the 2012-2013 biennium — one of the most aggressive cuts in any of this session's budget bills. It also contains provisions that would dramatically reduce the size of the state's workforce, consolidate agencies' services, establish performance pay initiatives and loosen restrictions on outsourcing.

Rep. Morrie Lanning (R-Moorhead), the bill's sponsor and committee chairman, said he intends to do more than just help balance the state's biennial budget. He wants to make structural changes that will lead to a leaner, more efficient executive branch.

"The bill has, we believe, many important reforms ... We can't just simply reduce budgets without reforming the way we do business," he told members of the House State Government Finance Committee March 22.

Nearly all agencies funded by the bill would have their operating budgets reduced by double-digit percentages. (Only the Departments of Military Affairs and Veterans Affairs would receive increases.)

To facilitate the reductions, the bill calls for a 12 percent cut in the size of the state's workforce, with another 3 percent to follow in fiscal years 2014-2015.

- Other significant reforms include:
- a "sunset commission" to find and eliminate duplicative state services;
  - a requirement for budget officials to use zero-based budgeting;
  - a program to reward agencies for finding cost savings;
  - performance pay incentives for state employees;
  - a reduction in the total number of deputy and assistant commissioners;
  - a pilot program using revenue bonds to pay nonprofits for social work;
  - consolidating all information technology services under one agency; and
  - freezing state worker pay for two years.

Rep. Keith Downey (R-Edina), who sponsors many of the reforms in the bill, said the state needs to fundamentally restructure its executive branch. With multi-billion dollar deficits predicted well into the foreseeable future, he said this year's reforms may be just the beginning.

"It's not bite-sized, certainly. It's a big bite of change and structural reform, but it's just positioning us for the real action here that comes down the road," he said.

Not everyone thinks such major reforms can be accomplished in just two years' time, however. Rep. Nora Slawik (DFL-

Maplewood) compared the bill to a "Christmas tree," decorated with "every type of reform on it at once." She argued that many of bill's provisions are unrealistic.

"We can't do it all," she said. "There is just no way that this Legislature can pass all of those items and make the state budget work."

Some state officials agree. Matt Massman, assistant commissioner for the Revenue Department, said the bill calls on the agency to bring in \$169.6 million in new tax revenue even as it absorbs a 15 percent budget cut. He doubted whether that is feasible, given the circumstances.


"If there is a substantial loss of our resources ... there's just simply going to be less tax revenue collected," Massman said at a March 23 hearing.

State Auditor Rebecca Otto testified that the 12.5 percent cut proposed for her office would result in less oversight of local government spending. Because of the way her office is funded, she said small but important programs like special investigations would bear the brunt of the reductions.

"It's the taxpayers that I'm here for, and they're the ones that will lose out," Otto said.

Slawik said the Legislature should take a more incremental approach to reforming government. She argued the traditional method is to change state programs one step at a time.

"I agree, in normal times that's the way legislatures work," Lanning replied. "But this is not a normal time."

Sen. Mike Parry (R-Waseca) sponsors the companion, SF604, which awaits action by the Senate State Government Innovation and Veterans Committee. 

#### What's in the bill

Language from the following bills has been incorporated in part or in whole into the omnibus state government finance bill.

- HF2 - Banaian
- HF127 - McNamara
- HF192 - Downey
- HF299 - Quam
- HF681 - Downey
- HF756 - Stensrud
- HF1090 - Stensrud

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# Coal energy exemptions contested

Next Generation Energy Act repeal awaits floor vote

By SUE HEGARTY

**W**ords mean something is a familiar phrase echoed in the Capitol, but according to one legislator, words in the Next Generation Energy Act are ambiguous and should be repealed.

Enacted in 2007, the law was designed to help mitigate global warming and passed 125-9 in the House with broad bipartisan support. Goals were established to reduce greenhouse gas emissions below 2005 levels — 15 percent by the year 2015 and 80 percent by 2050.

The act prohibits large new coal facilities until a statewide plan to limit greenhouse gas emissions is adopted, which hasn't happened. However, the Public Utilities Commission may grant exemptions, which Rep. Mike Beard (R-Shakopee) called built-in "off-ramps." These off-ramps are why some legislators supported the legislation. But now, differing opinions about how to achieve these exemptions prompted Beard to introduce HF72, a bill to repeal a section of the Next Generation Energy Act.

For example, a utility seeking an exemption must show the commission how it will offset current carbon dioxide emissions equal to or greater than the proposed emissions. Some of the ways to offset emissions include reducing them at an existing facility or by purchasing carbon dioxide "allowances" from other states. The commission then determines whether the offsets are "permanent, quantifiable, verifiable, enforceable, and would not have otherwise occurred" before granting or denying an exemption.

Maple Grove-based Great River Energy requested offset exemptions to import electricity from the new Spiritwood Station coal plant near Jamestown, N.D., scheduled to open next year. In August 2010, GRE requested the commission's approval of its emissions offset plan, but environmental

groups, such as the Izaak Walton League, Fresh Energy and the Minnesota Center for Environmental Advocacy, objected on the grounds that some of the proposed offsets would have otherwise occurred.

"We expected we would be able to use these offsets when we chose to go forward with Spiritwood after the statute was passed in 2007, but no one can agree on what the statute's confusing offset provisions mean," said Eric Olsen, GRE vice president.

The commission decided it needed more

evidence and referred the matter to the Office of Administrative Hearings. A recommendation by an administrative law judge is anticipated by Sept. 19, 2011. Public comments are due in July and a final PUC decision is expected by December 2011.

Although the law is not an all-out ban on coal energy, Beard views it as a "virtual moratorium" and called it an "impediment to interstate commerce."

The House Commerce and Regulatory Reform Committee approved his bill 15-6 earlier this month. Sen. Julie Rosen (R-Fairmont) sponsors the companion, SF86. The bills await action by the full House and Senate.

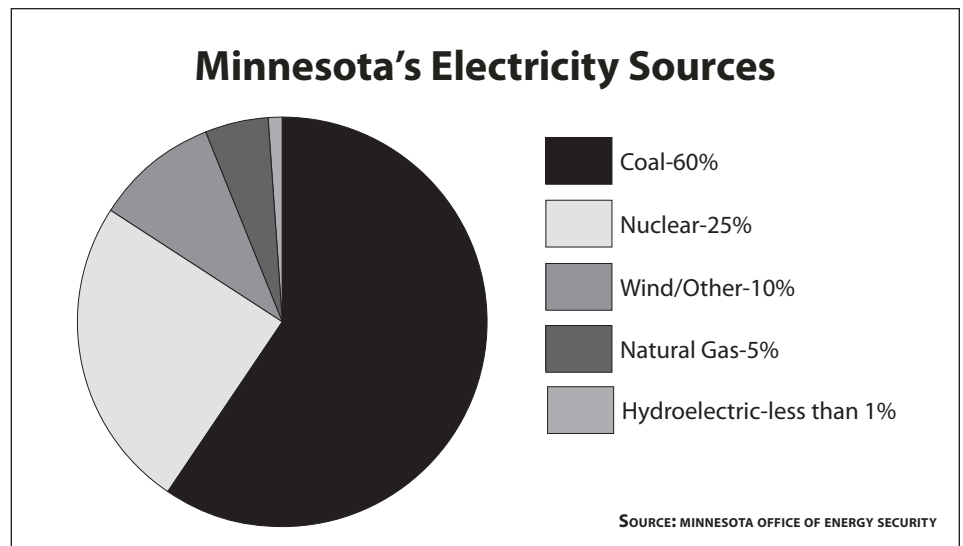
If enacted, the bill could have implications on the current proceedings and on the state's energy policies, in general.

Rep. Bill Hilty (DFL-Finlayson) sponsored the 2007 legislation and said there are easier ways to resolve the GRE issue. The law only applies



***"Don't demand of renewables things that they can't deliver. The Next Generation Act depends only on fuels that are not quite ready for primetime."***

— Rep. Mike Beard  
R-Shakopee



This chart illustrates the percentage and types of electricity generated in Minnesota.





PHOTO BY ANDREW VONBANK

**Black Dog Plant is a coal- and gas-fired generating station located in Burnsville.**



***“If they decided they were only going to bring 49 of those (megawatts) into Minnesota there wouldn’t be a problem.”***

— Rep. Bill Hilty  
DFL-Finlayson

to facilities generating 50 or more megawatts. Although Spiritwood is a 99 megawatt facility, a portion of the electricity would remain in North Dakota.

“If they decided they were only going to bring 49 of those (megawatts) into Minnesota there wouldn’t be a problem,” Hilty said.


He believes the repeal may be part of a larger policy issue. “What I think this is really about is doing away with the requirement to come up with any kind of a plan to deal with carbon emissions,” said Hilty.

Office of Energy Security Deputy Commissioner Bill Grant said Minnesota has no need for more baseload electricity through the year 2024. “A single coal plant can undo and reverse positive trends toward reducing greenhouse gas emissions as the Next Generation Energy Act called for.” Grant is a former associate executive director of the Izaak Walton League.

But Rep. Joyce Peppin (R-Rogers) said federal projections indicate there will be a need for reliable, baseload energy by 2050. She and Senate Majority Leader Amy Koch (R-Buffalo) sponsor HF9/SF4\* a bill to lift the moratorium on nuclear energy construction, which is now in a conference committee to rectify differences between the House and Senate versions. Coal and nuclear energy are viewed as two baseload sources of electricity, unlike wind turbines that don’t generate electricity if the wind isn’t blowing.

“Don’t demand of renewables things that they can’t deliver,” said Beard. “The Next Generation Act depends only on fuels that are not quite ready for primetime.”

The commission is pursuing upgrades to existing nuclear power plants, hydro-electric power from Canada and a combination of renewable energy sources that are less expensive and have shorter lead time than coal power.

“The alternatives are simply faster and cheaper,” Grant said. “If we are serious about meeting the goals that the Next Generation Energy Act laid out, making sure that we are actually reducing carbon emissions as we move forward is critical to that progress. Otherwise it really makes something of a farce of the Next Gen Act.” 

# Soudan snowbirds

Retired miner, school teacher are citizen watchdogs

BY SUE HEGARTY

**Y**ou might not notice Bob and Pat Tammen sitting in the House hearing rooms. Bob, clothed in a crisp, pressed dress shirt and necktie, blends in with the lobbyists, deputy commissioners and expert testifiers. Pat sits next to her husband, alert to the day's agenda.

The Tammens are not on anybody's political payroll, nor are they required to hear or give testimony about proposed legislation, unlike most in the gallery. Yet there they sit, day after day.

"We've seen a couple of committees that have citizens sitting there with equal standing. Sometimes I believe those citizens represent our values better than our elected officials," Bob said.

On Pat's 74th birthday, March 22, they were in the House Environment, Energy and Natural Resources Policy and Finance Committee hearing by 8:15 a.m. for 90 minutes of testimony; then again as

testimony continued into the evening.

A retired couple from Soudan, the Tammens could spend the long, cold Minnesota winter anywhere. Instead, they pack up their 24-foot camper and drive to St. Paul, where they park in the Sears parking lot across from the State Office Building, so they can be close to all the legislative action.

"We like where we live, and when we talk about the quality of life in Minnesota, Soudan has it," Bob said.

They begin their mornings with a walk across the street to buy a newspaper and coffee in the State Office Building. After sitting through the morning hearings in the House or Senate,

they grab a bowl of soup at the Rathskeller, the State Capitol cafeteria. Afternoons may include more hearings or witnessing a rally in the Capitol Rotunda. In the evenings, they often drive their self-contained Winnebago to a bookstore where they share a sandwich. Pat scours the bookshelves while Bob uses the wireless Internet to check email.

They pay Sears a monthly parking fee of \$30. So far, no one has rattled their metal cage, but they do need to watch their step when the snowplow clears the lot. On weekends, they return home to do laundry, open the mail and repack for another week in St. Paul.

In the spirit of full disclosure, they say they are DFLers and lifelong union workers. Pat taught elementary school in the Ely area for 38 years. Bob was an electrician who worked in the mines and did contract electrical work at Xcel's nuclear power plant in Monticello. They pay dues to nearly every environmental group, but neither has ever held a board seat, they said.

Bob and Pat met after he returned from Vietnam in 1965.

Bob worked for several mining operations and for U.S. Steel, where he became familiar with mining's residual effect on the environment. "Most of us were pretty nonchalant about what we were doing. There were a few voices in our communities warning us about this, but most of us didn't listen," he said.

They don't always agree with some DFL legislators who say mining brings prosperity to a community.

"Look at Virginia. They are surrounded by taconite mines. You couldn't squeeze any more mines in there hardly. They're still losing population," Bob said.

Pat followed the alternative pathways for teacher licensure debate in the House education committees and believes it will weaken the classroom.

When the legislative session ends, they'll drive north again and park the camper on 20 acres of undeveloped land they own along 800 feet of shoreline. They'll drop their canoe in the water and pick up stray fishing bobbers to add them their collection. Enjoying a respite from the Capitol chatter, they'll hike through the new Lake Vermilion State Park near their house. No doubt, these citizen watchdogs will keep a watchful eye on how taxpayer dollars are being spent to develop the park that's been called the jewel of the state park system. 🐶



PHOTO BY ANDREW VONBANK

Pat and Bob Tammen leave their home in Soudan to come to St. Paul as citizen watchdogs.



# BILL INTRODUCTIONS

MARCH 21 - 24, 2011  
HOUSE FILES 1198 - 1297

## Monday, March 21

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### HF1198-Mazorol (R)

#### Civil Law

Uniform Interstate Family Support Act updated.

### HF1199-Mullery (DFL)

#### Jobs & Economic Development Finance

Neighborhood Development Center grant money appropriated.

### HF1200-Persell (DFL)

#### Environment, Energy & Natural Resources Policy & Finance

Water quality enhancement pilot program money appropriated.

### HF1201-Melin (DFL)

#### State Government Finance

Hibbing; sewer extension funding provided, bonds issued and money appropriated.

### HF1202-Greiling (DFL)

#### Education Reform

Children early intervention criteria modified.

### HF1203-Hayden (DFL)

#### Health & Human Services Reform

Child well-being improvement plan required and annual child maltreatment report requirements modified.

### HF1204-Murphy, E. (DFL)

#### Health & Human Services Reform

Minnesota health benefit exchange created.

### HF1205-Holberg (R)

#### Government Operations & Elections

County park fee restriction modified.

### HF1206-Hornstein (DFL)

#### Government Operations & Elections

Month of April designated as Genocide Awareness and Prevention Month.

### HF1207-Kahn (DFL)

#### Health & Human Services Reform

Organ donation work group established to study sustainable programs to increase organ donation.

### HF1208-Quam (R)

#### Transportation Policy & Finance

Highway 52 sign placement required.

### HF1209-Quam (R)

#### Transportation Policy & Finance

Environmental impact statements completion required and money appropriated for right-of-way acquisition, design, construction and reconstruction of marked Trunk Highway 14.

### HF1210-Quam (R)

#### Judiciary Policy & Finance

Vehicle parking violation surcharge removed.

### HF1211-Carlson (DFL)

#### Ways & Means

State agency deficiency funding provided.

### HF1212-Anderson, P. (R)

#### Environment, Energy & Natural Resources Policy & Finance

Melrose Public Utilities Commission membership increased from three to five members.

### HF1213-Anderson, P. (R)

#### Education Finance

City or county library maintenance of effort reduced by the same amount as its reduction in local government aid or credit reimbursement.

### HF1214-Hortman (DFL)

#### Transportation Policy & Finance

Child passenger restraint system provisions modified.

### HF1215-Anderson, D. (R)

#### Health & Human Services Reform

Children's mental health provisions modified regarding juvenile treatment screening.

### HF1216-Downey (R)

#### Taxes

"Tax expenditure" and "tax relief" definitions provided and applied.

### HF1217-Smith (R)

#### Judiciary Policy & Finance

Sex trafficking victim cause of action created.

### HF1218-Fritz (DFL)

#### Health & Human Services Reform

MFIP family cap repealed.

### HF1219-Davids (R)

#### Taxes

Taxation; technical, administrative and clarifying changes made relating to income, property, sales and use, insurance, minerals, gasoline and other various taxes and tax-related provisions; and tax-forfeited land provisions modified.

### HF1220-Wardlow (R)

#### Civil Law

Legislative enactments; erroneous, ambiguous and omitted text and obsolete reference corrections made; redundant, conflicting and superseded provisions removed; and miscellaneous corrections made to laws, statutes and rules.

### HF1221-Howes (R)

#### Environment, Energy & Natural Resources Policy & Finance

Sustainable Forest Incentive Act provisions modified.

### HF1222-Westrom (R)

#### Government Operations & Elections

County officer appointment special authorizing laws repealed and elections required.

### HF1223-Smith (R)

#### Transportation Policy & Finance

Commissioner of transportation's duties regarding passenger railroads modified.

### HF1224-Smith (R)

#### Transportation Policy & Finance

Railroad employees counseling required following train accidents.

### HF1225-Murphy, E. (DFL)

#### Health & Human Services Reform

Health care advertising transparency required.

### HF1226-Mullery (DFL)

#### Public Safety & Crime Prevention Policy & Finance

Sex offender policy advisory task force established.

### HF1227-Mullery (DFL)

#### Public Safety & Crime Prevention Policy & Finance

Juvenile justice reform advisory task force established.

### HF1228-Mullery (DFL)

#### Public Safety & Crime Prevention Policy & Finance

Offender reentry and crime deterrence policy advisory task force established.

### HF1229-Mullery (DFL)

#### Jobs & Economic Development Finance

Unemployment insurance and taxation penalties provided, and additions to taxable income modified.

### HF1230-Fabian (R)

#### Environment, Energy & Natural Resources Policy & Finance

Acquired lands valuation methods modified; state parks, state recreation areas, state forests and state wildlife management areas added to and deleted from; public and private sales of surplus state lands authorized.

### HF1231-Paymar (DFL)

#### Rules & Legislative Administration

Policy, technical, administrative, enforcement and other changes made to individual income, corporate franchise, estate, sales and use, property, insurance and other taxes and tax-related provisions, and conforming to Internal Revenue Code changes.

### HF1232-Howes (R)

#### Capital Investment

Appropriations canceled and corresponding bond sale authorizations reduced, and sale of refunding bonds required to achieve savings.

### HF1233-Morrow (DFL)

#### Transportation Policy & Finance

Minnesota Rural Road Safety Task Force created, appointments provided, development of strategy to reduce rural road fatalities and serious injuries required and money appropriated.

### HF1234-Downey (R)

#### Government Operations & Elections

Commissioner of administration required to issue a request for proposals and enter into a contract for strategic sourcing consulting services.

### HF1235-Davids (R)

#### Health & Human Services Finance

Minnesota Care provider taxes repealed.

**HF1236-Hamilton (R)**  
**Health & Human Services Reform**  
Pharmacy audit integrity program established.

**HF1237-Erickson (R)**  
**Education Reform**  
Education subtraction and credit expanded to broadband subscription expenses, and sales tax exemption provided for education-related broadband subscriptions.

**HF1238-Fabian (R)**  
**Environment, Energy & Natural Resources Policy & Finance**  
Subsurface sewage treatment systems ordinance adoption delay extended.

**HF1239-Rukavina (DFL)**  
**Taxes**  
Mining taxation provided, and nonferrous ores, metals, minerals refined.

**HF1240-Rukavina (DFL)**  
**Rules & Legislative Administration**  
Postsecondary education provisions amended, definitions modified, SELF loan revenue bond provisions modified, safety officer survivor education benefit eligibility requirements changed, Minnesota collegesavings plan matching grant phased out, achieve scholarship program ended and money appropriated.

**HF1241-Shimanski (R)**  
**Government Operations & Elections**  
Legislative approval required for adoption of rules.

**HF1242-Doepke (R)**  
**Government Operations & Elections**  
Hennepin County; authority extended to impose a mortgage registry and deed tax.

**HF1243-McFarlane (R)**  
**Environment, Energy & Natural Resources Policy & Finance**  
White Bear Lake Conservation District authority modified.

**HF1244-Hackbarth (R)**  
**Environment, Energy & Natural Resources Policy & Finance**  
Metropolitan Council regional park disproportionate reductions prohibited.

**HF1245-McFarlane (R)**  
**Public Safety & Crime Prevention Policy & Finance**  
Firearm possession by a minor included as unlawful for purposes of orders to enjoin gang activity.

**HF1246-Hilty (DFL)**  
**Taxes**  
Moose Lake; local sales and use tax authorized.

**HF1247-Beard (R)**  
**Environment, Energy & Natural Resources Policy & Finance**  
Clean energy resource teams provided and money appropriated.

**HF1248-McFarlane (R)**  
**Commerce & Regulatory Reform**  
White Bear Township allowed to issue liquor licenses.

**HF1249-Hilty (DFL)**  
**Veterans Services Division**  
United States Congress and the President of the United States urged to reorder federal spending priorities.

**HF1250-Davids (R)**  
**Health & Human Services Finance**  
Health plan excess revenues transferred to the General Fund.

**HF1251-Gruenhagen (R)**  
**Civil Law**  
Health care program contract competitive bids and audits required.

**HF1252-Davids (R)**  
**Taxes**  
Nonprofit hospital in-lieu tax imposed and charity care credit provided.

**HF1253-Scott (R)**  
**Commerce & Regulatory Reform**  
Wineries allowed to have temporary on-sale licenses.

**HF1254-Bills (R)**  
**Civil Law**  
Residential property rights expanded and defined, and association vote and lien provisions of the Minnesota Common Interest Ownership Act modified.

## Tuesday, March 22

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**HF1255-McElfrack (R)**  
**Legacy Funding Division**  
Grand Rapids; Children's Discovery Museum funding provided for new exhibits and money appropriated.

**HF1256-Franson (R)**  
**Government Operations & Elections**  
Minnesota State Retirement System; legislative member and employer contribution rates modified.

**HF1257-Hayden (DFL)**  
**Jobs & Economic Development Finance**  
Nonprofit housing bonds issued for community land trusts.

**HF1258-Wagenius (DFL)**  
**Rules & Legislative Administration**  
Environment, natural resources and energy funding provided; fees and surcharges modified; accounts created; disposition of receipts modified; game and fish license requirements modified; permit requirements modified for harvest and control of aquatic plants; petroleum tank release cleanup provisions extended; and staff and administrative support of Environmental Quality Board transferred and money appropriated.

**HF1259-Drazkowski (R)**  
**Government Operations & Elections**  
Legislators, governor, lieutenant governor and agency heads salary and legislative per diem reduced.

**HF1260-Drazkowski (R)**  
**Education Finance**  
Public library maintenance of effort repealed.

**HF1261-Holberg (R)**  
**Taxes**  
Metropolitan area transit and paratransit capital expenditure additional financing provided and certain obligations issued.

**HF1262-Downey (R)**  
**Taxes**  
City and county general purpose aids reduced and new grant and loan programs established for local governments.

**HF1263-Hancock (R)**  
**Agriculture & Rural Development Policy & Finance**  
County seed and feed loan obsolete provisions repealed.

**HF1264-Hancock (R)**  
**Education Finance**  
Red Lake; Independent School District No. 38 facilities renovation and construction funding provided, bonds issued and money appropriated.

**HF1265-Mahoney (DFL)**  
**Rules & Legislative Administration**  
State government; money appropriated, fees and licensing, registration, and continuing education provisions modified and rulemaking required.

**HF1266-Hilstrom (DFL)**  
**Rules & Legislative Administration**  
Correctional facility in Faribault easement acquired and money appropriated for public safety, judiciary, corrections and human rights.

**HF1267-Hornstein (DFL)**  
**Rules & Legislative Administration**  
Transportation, Metropolitan Council and public safety activities money appropriated; fund transfers, general contingent accounts and tort claims provided for; various fees and accounts provided for.

**HF1268-Runbeck (R)**  
**Taxes**  
Tax amnesty period provided and money appropriated.

**HF1269-McFarlane (R)**  
**Government Operations & Elections**  
Campaign finance and public disclosure law definition of "public official" changed.

## Wednesday, March 23

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**HF1270-McDonald (R)**  
**Public Safety & Crime Prevention Policy & Finance**  
E-charging expanded to include citations, juvenile adjudication and implied test refusal or failure.

**HF1271-Wardlow (R)**  
**Taxes**  
Research and development base percentage clarified.

**HF1272-McFarlane (R)**  
**Education Reform**  
High school transition plan proposed for students to successfully pursue postsecondary education and employment and money appropriated.

**HF1273-Melin (DFL)**  
**State Government Finance**  
Central Iron Range Sanitary Sewer District funding provided, bonds issued and money appropriated.

**HF1274-Wardlow (R)**  
**Commerce & Regulatory Reform**  
Limited liability company organization and operation regulated, revised uniform limited liability company act enacted and conforming changes made.



**HF1275-Drazkowski (R)****Civil Law**

Disclosure statement provisions clarified relating to purchaser's right to cancel.

**HF1276-Knuth (DFL)****Commerce & Regulatory Reform**

Brewpubs authorized to sell malt liquor to licensed wholesalers for distribution to other retail licensees without limit.

**HF1277-Swedzinski (R)****Environment, Energy & Natural Resources Policy & Finance**

Money recovered by the state from ethanol plants or cellulosic biofuel facilities disposition modified.

**HF1278-Franson (R)****Legacy Funding Division**

Todd County Historic Court House preservation funding provided and money appropriated.

**HF1279-Ward (DFL)****Environment, Energy & Natural Resources Policy & Finance**

Minimum shoreland standard rules reauthorized.

**HF1280-Clark (DFL)****Jobs & Economic Development Finance**

Family homeless prevention and assistance program money appropriated to the Housing Finance Agency.

**HF1281-Clark (DFL)****Jobs & Economic Development Finance**

Family homeless prevention and assistance program money appropriated to the Housing Finance Agency.

**HF1282-Clark (DFL)****Health & Human Services Reform**

Cosmetology; use and possession of methyl methacrylate prohibited.

**HF1283-Hackbarth (R)****Environment, Energy & Natural Resources Policy & Finance**

Recreational vehicle operating provisions modified, dual registration of off-highway motorcycles provided and special vehicle use on roadways modified.

**HF1284-B Beard (R)****Transportation Policy & Finance**

Train crews exempted from driver's license requirement.

**HF1285-Mullery (DFL)****Public Safety & Crime Prevention Policy & Finance**

Controlled substances schedule I list added to.

**HF1286-Loeffler (DFL)****State Government Finance**

Capitol site structural risk assessment money appropriated.

**HF1287-Hansen (DFL)****State Government Finance**

Phase 1 Capitol security and access improvements money appropriated.

**HF1288-Loeffler (DFL)****State Government Finance**

Phase 1 Capitol security and access improvements funding provided, bonds issued and money appropriated.

**Thursday, March 24****HF1289-Mack (R)****Transportation Policy & Finance**

Buses provisions modified authorizing the use of highway shoulders.

**HF1290-Hancock (R)****Transportation Policy & Finance**

Vehicle overweight permit renewal date required to be the same as for the vehicle's plate registration date.

**HF1291-Davids (R)****Public Safety & Crime Prevention Policy & Finance**

Disaster recovery grant program established, Department of Public Safety authorized to provide technical assistance to local governments in presidentially declared disasters and money appropriated.

**HF1292-Howes (R)****Capital Investment**

Capital improvement spending authorized to acquire and better public land and buildings and for other improvements of a capital nature, nonprofit housing bond authorization changes made.

**HF1293-Loon (R)****Education Finance**

Education tax credit modified.

**HF1294-McDonald (R)****Education Finance**

Rockford; Independent School District No. 833 one-time fund transfer authorized.

**HF1295-Koenen (DFL)****Environment, Energy & Natural Resources Policy & Finance**

Montevideo; levee design and reconstruction funding provided, bonds issued and money appropriated.

**HF1296-Koenen (DFL)****Commerce & Regulatory Reform**

Restricted plumber license renewal period extended.

**HF1297-Koenen (DFL)****Jobs & Economic Development Finance**

Yellow Medicine County Agriculture and Transportation Museum electrical system upgrade funding provided, bonds issued and money appropriated.

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# MINNESOTA INDEX

## A Minnesota Breakfast

Year Cream of Wheat moved from Grand Forks, N.D., to Minneapolis.....	1897
Year the company was acquired by Nabisco.....	1962
Year Malt-o-Meal was founded in Owatonna.....	1919
Year it moved to Ames Mill in Northfield.....	1927
Year Minneapolis Milling Company was formed.....	1856
Year the Washburn "A" Mill was built along the banks of the Mississippi River.....	1874
Bread loaves it produced daily, in millions.....	12
Servings of cereal produced by General Mills annually, in millions.....	60
Year Cheerios – or Cheerioats, the original name – came along.....	1941
Gallons of raw maple sap it takes to make 1 gallon of maple syrup.....	40
Gallons each tap yields of maple sap.....	10-12
Minnesota's rank among states as an egg-producer.....	8
Calories in a hard-boiled egg.....	90
National ranking in table egg production of Sparboe Summit Farms Inc. in Litchfield in 2009.....	5
U.S. table egg production during December 2010, in billions.....	6.83
Dozens of eggs ordered weekly by Charlie's Café in Freeport.....	120
Number of daily coffee drinkers, as estimate.....	175
Year former Rep. Bud Heidegerken sold the long-time family business.....	2007
Dozens of eggs used weekly by Mickey's Diner in St. Paul.....	180
Pounds of coffee used weekly.....	50
Year the diner was placed on the National Register of Historic Places.....	1983
World coffee production for 2009 and 2010, in millions of bags.....	125.2
Year McGarvey Coffee, owned by Superior Coffee and Foods, was started in Minneapolis.....	1922
Year Geo. A. Hormel & Co. established in Austin.....	1891
Year SPAM was introduced.....	1937
Year the billionth can of SPAM was sold.....	1959
Year Little Sizzlers pork sausage was rolled out.....	1959

— L. SCHUTZ

Sources: General Mills; B&G Foods; Minnesota Maple Syrup Producers' Association; Jesse Job-Charlie's Café; Mickey's Diner, American Egg Board; Mill City Museum; St. Louis Park Historical Society.

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